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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF
SOUTH CENTRAL UTAH TELEPHONE
ASSOCIATION, INC., A UTAH NON-PROFIT
CORPORATION, FOR A HEARING TO
DETERMINE THE EARNINGS OF THE
COMPANY, THE FAIR VALUE OF THE
COMPANY FOR RATEMAKING PURPOSES,
AND TO INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE
RATE IMPACTS OF THE FCC'S USF/ICC
TRANSFORMATION ORDER

DOCKET NO. T-01923A-13-0428

**NOTICE OF FILING REVISED
POST-HEARING EXHIBIT A-3**

ORIGINAL

South Central Utah Telephone Association, Inc., hereby files Revised Post-Hearing Exhibit A-3 (pro forma results of operations with residential rates at \$14/month and a federal benchmark at \$20.46/month). The revised exhibit corrects the intrastate results of operations column to reflect the loss of federal high-cost-loop support if rates are not raised to \$20.46/month.

Respectfully submitted on April 22, 2014.

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**Original and 13 copies filed
on April 22, 2014, with:**

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

South Central Utah Telephone Association, Inc.

Exhibit A-3
(Revised)

REGULATED RESULTS OF OPERATIONS FOR 12 MONTHS ENDING 09/30/2013
REFLECTS CHANGES EFFECTIVE WITH ARC AND CAF IMPLEMENTATION - YEAR 1

				\$14.00 rate / \$20.46 rate floor		
				TOTAL		
				TELEPHONE	INTERSTATE	INTRASTATE
				OPERATIONS		
<u>OPERATING REVENUES</u>						
1	Local	\$	262,507		\$	262,507
2	Interstate		821,750		821,750	-
	Reduction in Federal high cost loop support		(50,698)			(50,698)
3	Intrastate		150,671			150,671
4	Message Toll		-			-
5	Miscellaneous		4,220			4,220
6	Uncollectible		16,200			16,200
7		\$	1,204,650	\$	821,750	\$ 382,900
<u>OPERATING EXPENSES</u>						
8	Plant Specific Operations	\$	181,344		90,529	\$ 90,814
9	Plant Non-specific Operations		11,430		6,585	4,845
10	Depreciation		317,392		130,626	186,766
11	Marketing		27,489		12,591	14,898
12	Customer Operations		83,407		28,024	55,383
13	Corporate Operations		136,146		65,752	70,394
14		\$	757,208	\$	334,108	\$ 423,100
15	<u>OPERATING INCOME</u>	\$	447,442	\$	487,642	\$ (40,200)
16	<u>OPERATING TAXES</u>		119,353		55,164	64,189
17	<u>NET OPERATING INCOME</u>	\$	328,089	\$	432,478	\$ (104,388)
<u>NON-OPERATING INCOME</u>						
18	Interest Income		4,063		1,318	\$ 2,745
19	Interest on Funded Debt		(12,475)		(4,072)	(8,403)
20	CoBank dividends		-			-
21	AFUDC		1,738		773	964
22	Other		(211)		(98)	(114)
23		\$	(6,885)	\$	(2,078)	\$ (4,807)
24	<u>NET OPERATING INCOME</u>	\$	321,204	\$	430,400	\$ (109,196)
25	Total Rate Base at 09/30/2013				393,935	980,729
26	Return on Rate Base (Ln 23/Ln24)					-11.13%